



2007 Regional Freight Conference

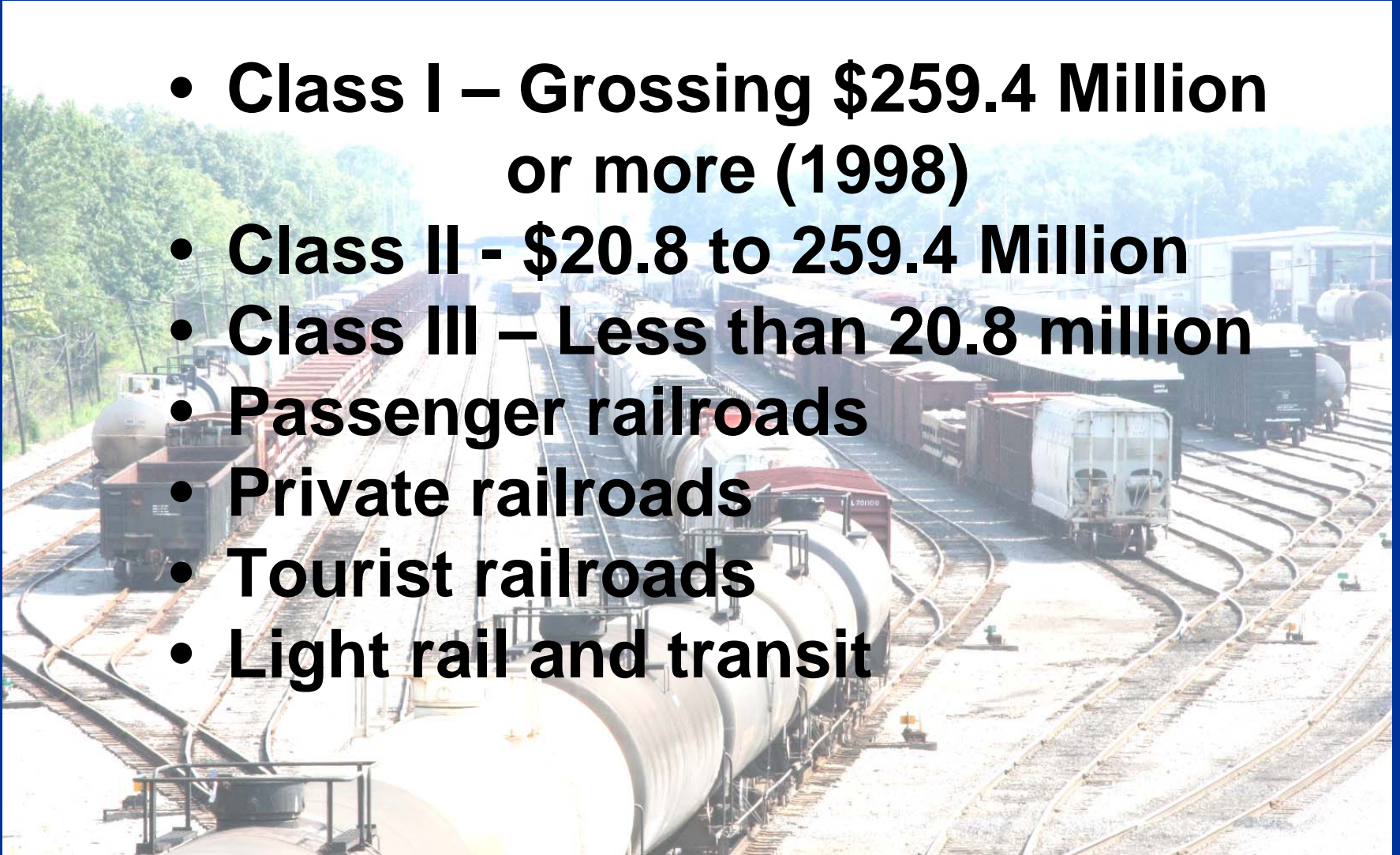
May 15, 2007
Frankfort, KY

Railroading 101



Types of Railroads/Lines

- **Class I – Grossing \$259.4 Million or more (1998)**
- **Class II - \$20.8 to 259.4 Million**
- **Class III – Less than 20.8 million**
- **Passenger railroads**
- **Private railroads**
- **Tourist railroads**
- **Light rail and transit**



Major North American Freight Railroads

- **CN** Canadian National Railway (CN)
- **BNSF** BNSF Railway
- **CP** Canadian Pacific Railway
- **CSX** CSX Transportation
- **FXE** Ferrocarril Mexicano (Ferromex)
- **KCS** Kansas City Southern Railway
- **NS** Norfolk Southern
- **KCSM** Kansas City Southern de Mexico (formerly TFM)
- **UP** Union Pacific Railroad



U.S. Freight Railroad Industry in 2005

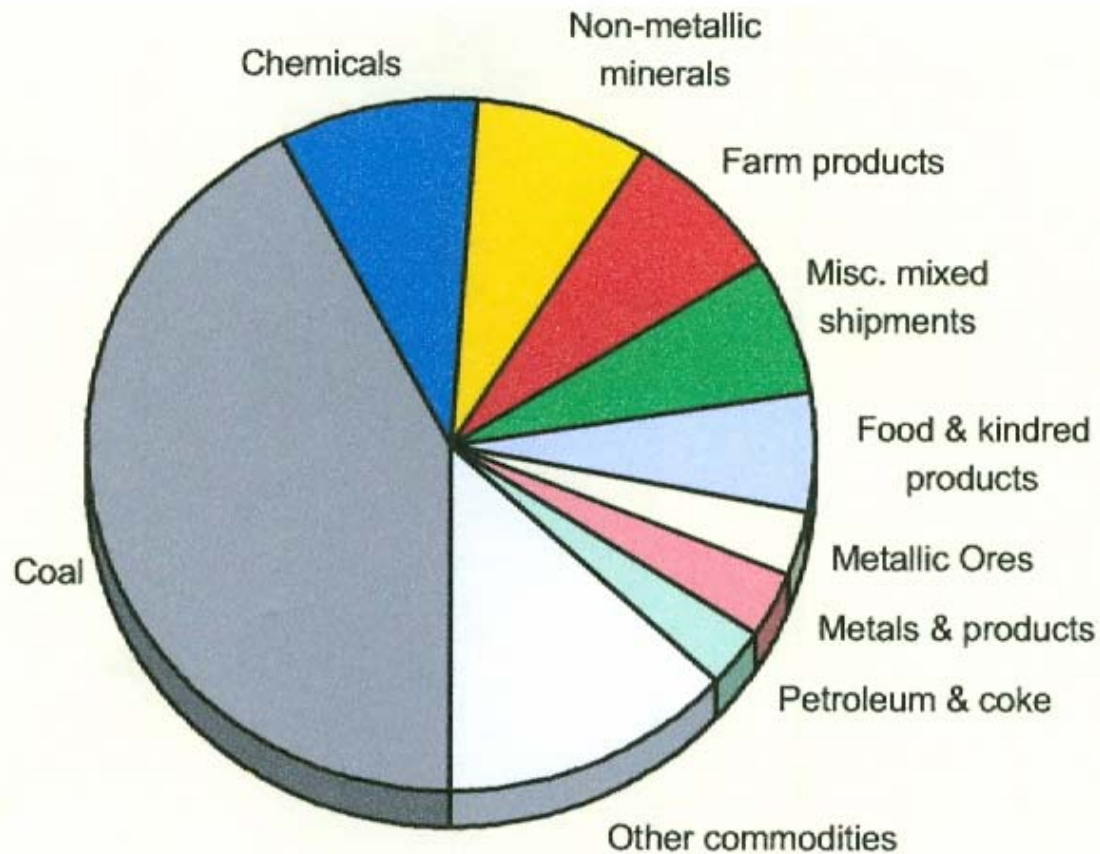
Type	Number	Miles Operated	Emps	Revenue (\$ billions)
Class I	7	95,664	162,438	\$44.46
Non-Class I	553	44,585	19,369	3.42
Regional	30	15,388	7,322	1.48
Local Linehaul	320	22,519	5,744	1.12
Switching & Terminal	203	6,678	6,303	0.82
Canadian	2	561	n/a	n/a
TOTAL	562	140,810	181,807	\$47.88

U.S. Railroad Service and Employment

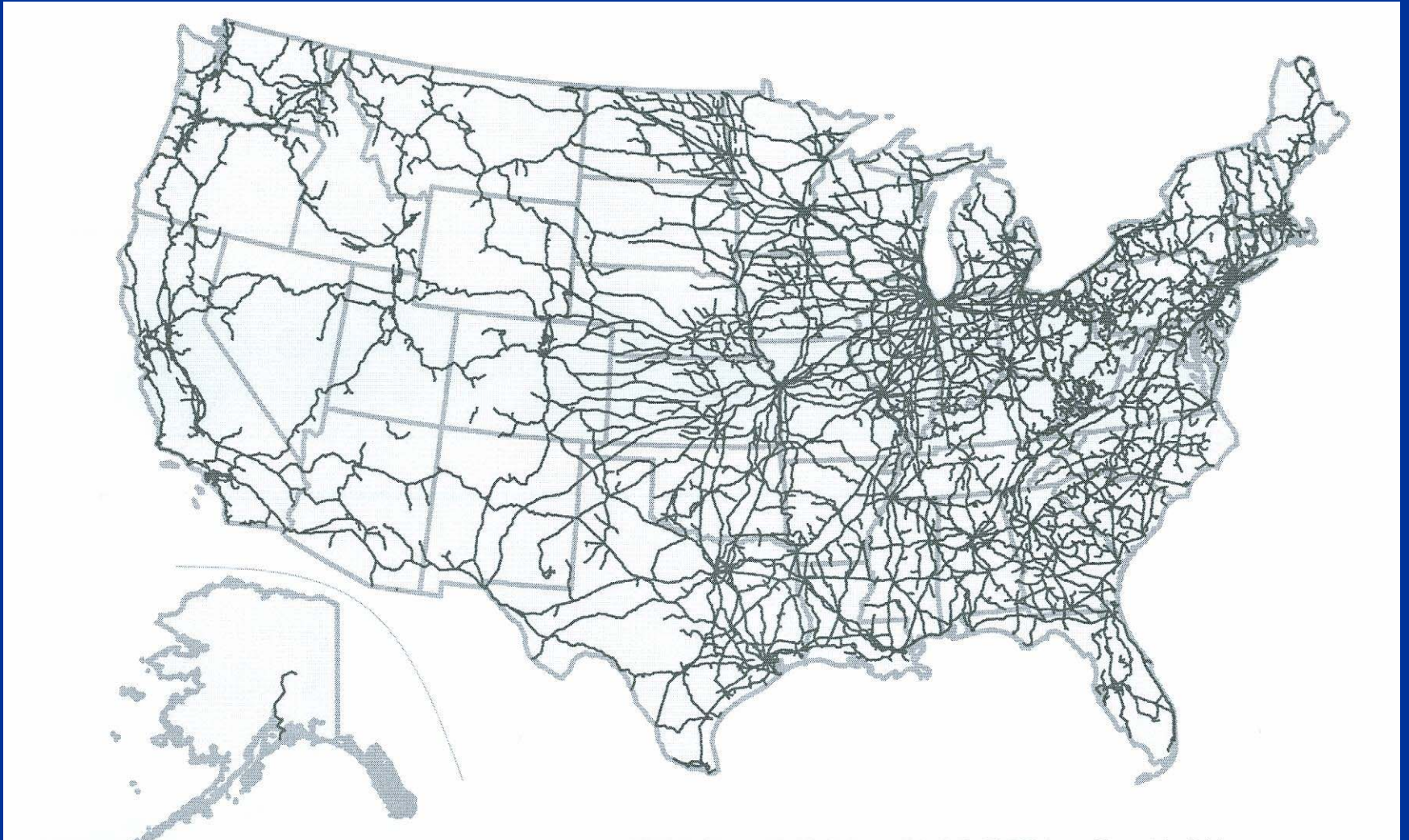
Railroads	Number of Railroads	562
	Miles Operated (Excl. trackage rights)	140,810
Traffic	Total Carloads Freight Originated	32,366,269
	Total Tons Freight Originated	2,005,739,371
Employment	Total Rail Employees	256,554
	Total Wages of Rail Employees	\$16,826,246,000
	Average Rail Employee Wages	\$65,618
	Fringe Benefits	\$25,097
	Total Compensation	\$90,716
Railroad Retirement	Railroad Retirement Beneficiaries	558,205
	Railroad Retirement Benefits Paid	\$8,097,545,000



2005 Class I Railroad Tons Originated



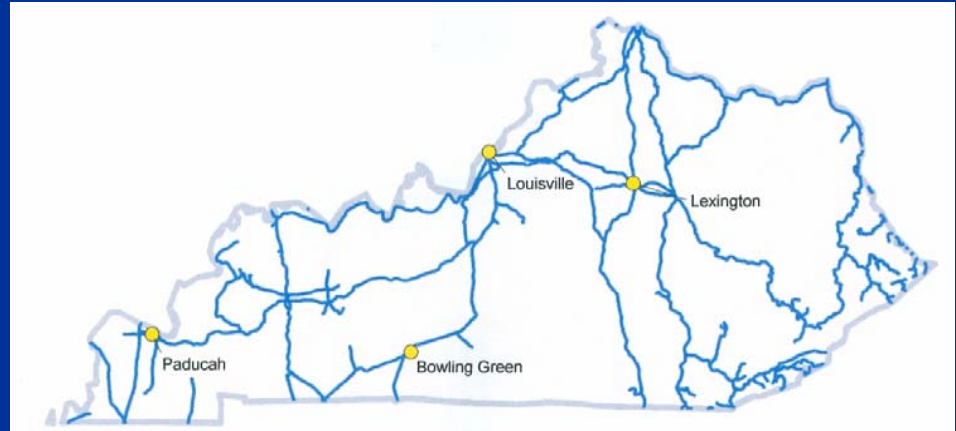
U.S. Railroad Network



Freight Railroads in Kentucky Miles Operated

Class I

BNSF Railway Company	13
CSX Transportation	1,710
Grand Trunk Corporation	106
Norfolk Southern Corp.	431
Soo Line Railroad Co.	1
TOTAL	2,261



Local Railroads

Kentucky & Tennessee Railway	2
KWT Railroad, Inc.	11
Louisville & Indiana Railroad Co.	2
R. J. Corman Railroad/Bardstown Line	20
R. J. Corman Railroad/Central KY Lines	114
R. J. Corman Railroad/ Memphis Line	62
Tennken Railroad	9
TOTAL	220

Regional Railroads

Paducah & Louisville Railway	290
TOTAL	290

Kentucky Railroad Service and Employment

Railroads	Number of Freight Railroads	13
	Miles Operated (Excl. trackage rights)	2,621
Traffic	Total Carloads Freight Carried	4,221,492
	Total Tons Freight Carried	288,266,528
Employment and	Rail Employees Living in Kentucky	5,044
Earnings	Total Wages of Rail Employees	\$318,045,000
	Average Freight Rail Employee Wages	\$62,700
	Fringe Benefits	\$24,000
	Total Compensation	\$86,600
Railroad Retirement	Railroad Retirement Beneficiaries	14,504
	Railroad Retirement Benefits Paid	\$210,401,000

Freight Railroad Traffic in Kentucky

Tons Originated - 2005

Commodity	Tons	Percentage
Coal	69,628,497	75
Petroleum Products	9,458,654	10
Transportation Equipment	3,028,172	3
Primary Metal Products	2,902,804	3
Chemicals	2,295,968	2
All Other	5,367,962	6
TOTAL	92,682,057	100

Tons Terminated - 2005

Commodity	Tons	Percentage
Coal	25,219,943	63
Chemicals	3,101,836	8
Primary Metal Products	1,694,448	4
Transportation Equipment	1,452,326	4
Petroleum Products	1,361,223	3
All Other	7,358,052	18
TOTAL	40,187,828	100

Paducah & Louisville Railway

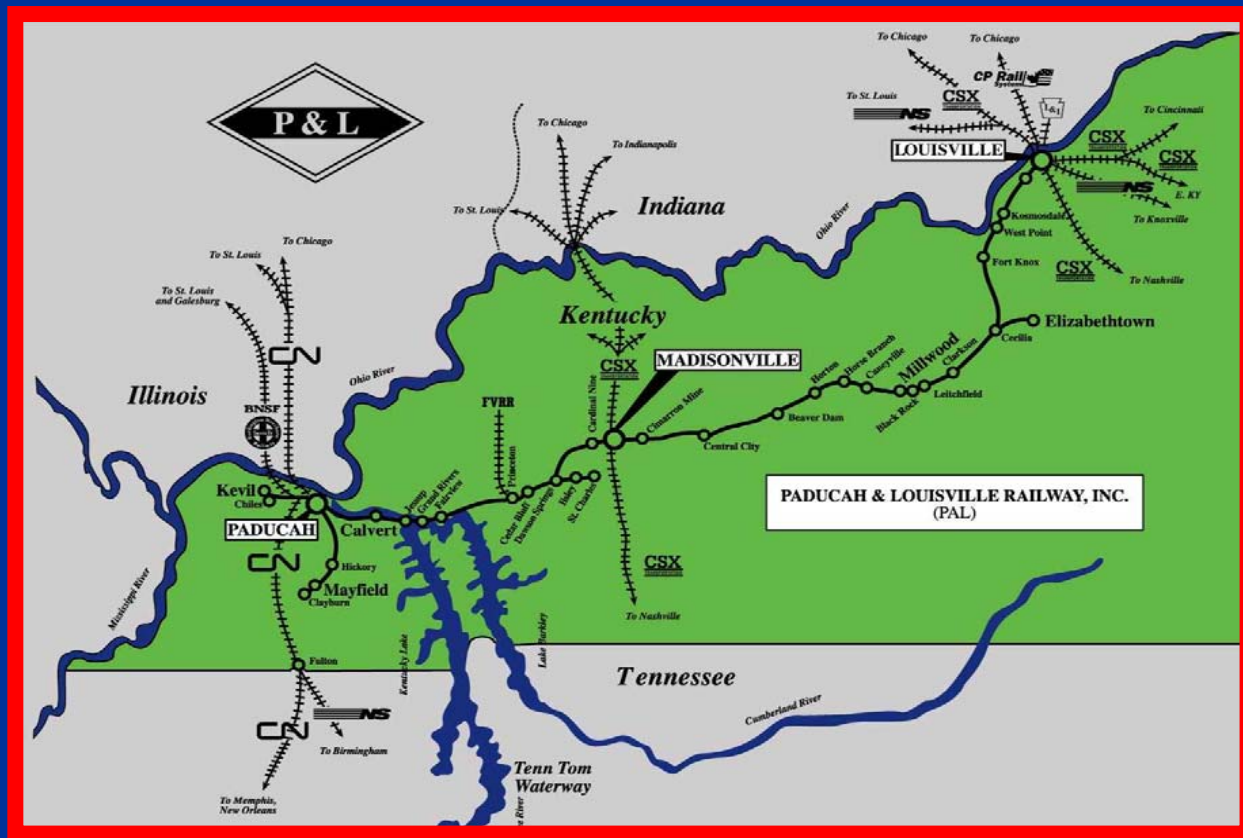




Began - August 27, 1986

Ownership - Smith and Reed /
First Chicago

Private company with CSX



- Class II Railroad – 280 miles

- Headquartered in Paducah

- Five Class I connections (was seven)

- 100% CWR

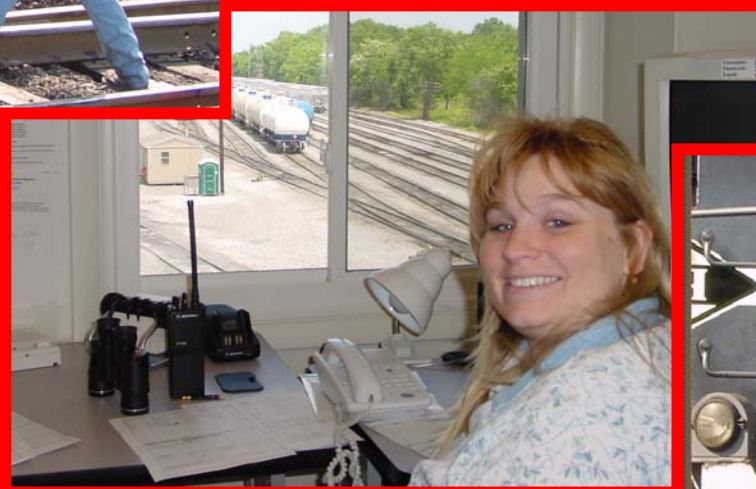
- All signaled

- Part CTC

- Double-track Paducah to Kentucky Dam

- Averaged \$5 Million/year on track and structures

230 Employees



8 Labor Organizations

Locomotive Fleet



Mother - Mate



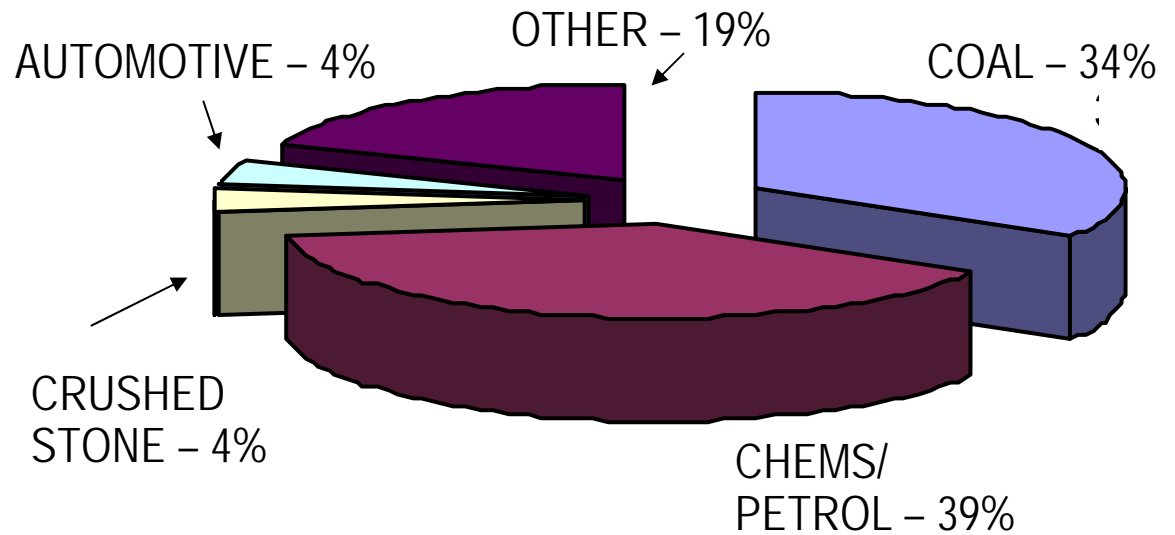
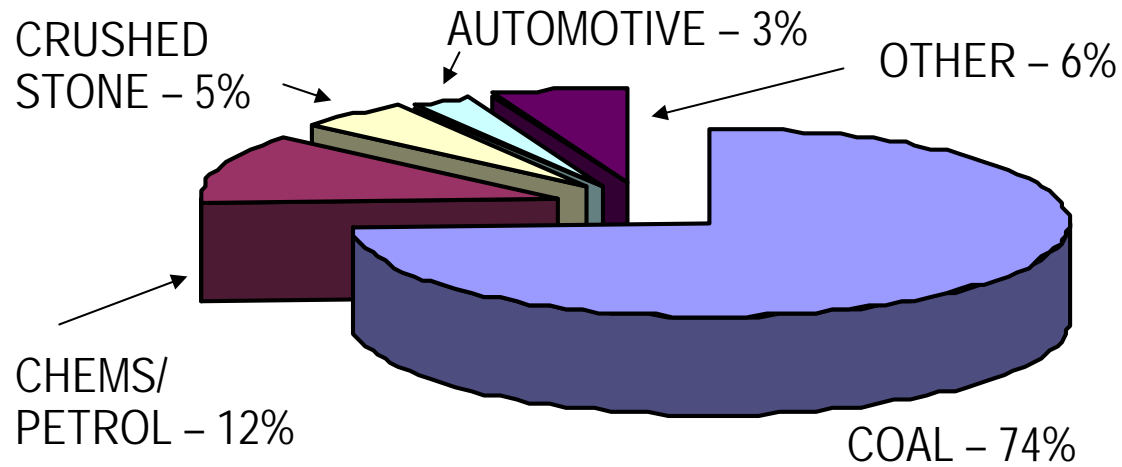
Operations

28 Train starts per day

Central dispatching

Interchange

Loads



Revenue

Top 10 P&L Customers



<u>Customer</u>	<u>Carloads</u>
1. Westlake Petrochemicals	10,855
2. Tennessee Valley Authority	106,674
3. Louisville Gas & Electric	23,392
4. Oxy Vinyls LP	2,981
5. Gerdau Ameristeel	3,430
6. Arkema, Inc.	2,321
7. Dana Corp.	4,593
8. ISP Technologies	776
9. Air Products & Chemicals	928
10. Celanese Ltd.	749

Coal



Chemicals



Ft. Knox



M1A1 tanks



Armored Personnel
Carriers

Louisville Yard



New Acquisitions

Evansville Western Railway



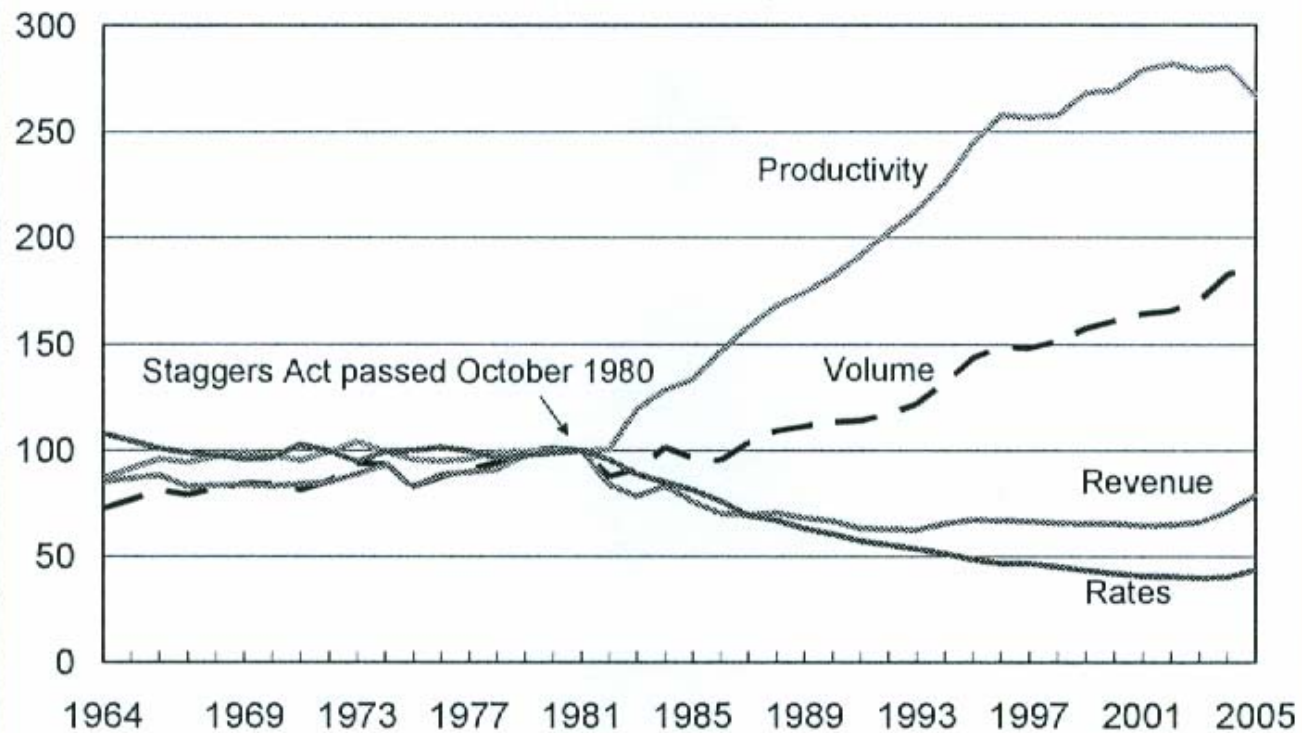
Appalachian and Ohio Railroad





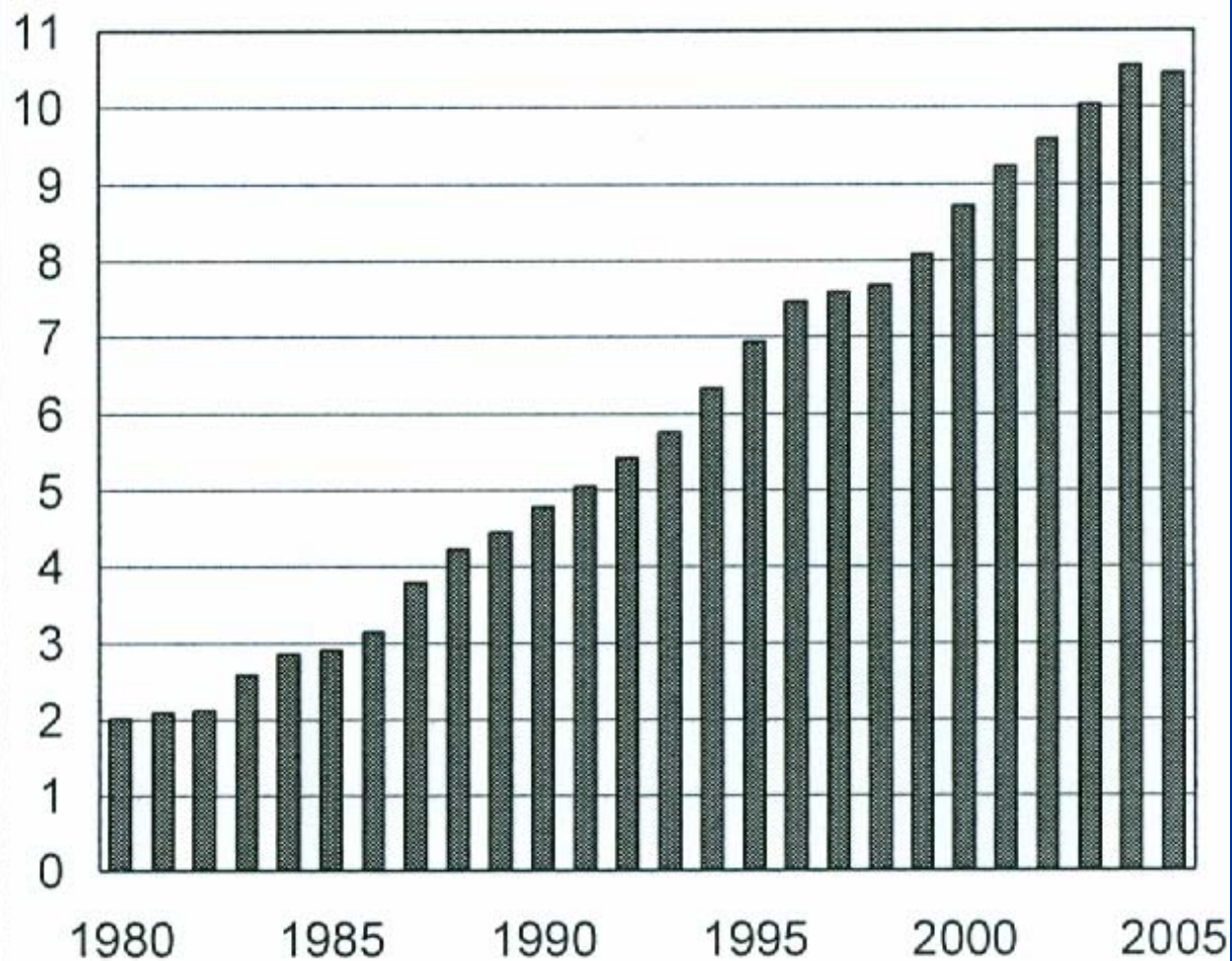
The Staggers Act

U.S. Freight Railroad Performance Since Staggers (1981 = 100)



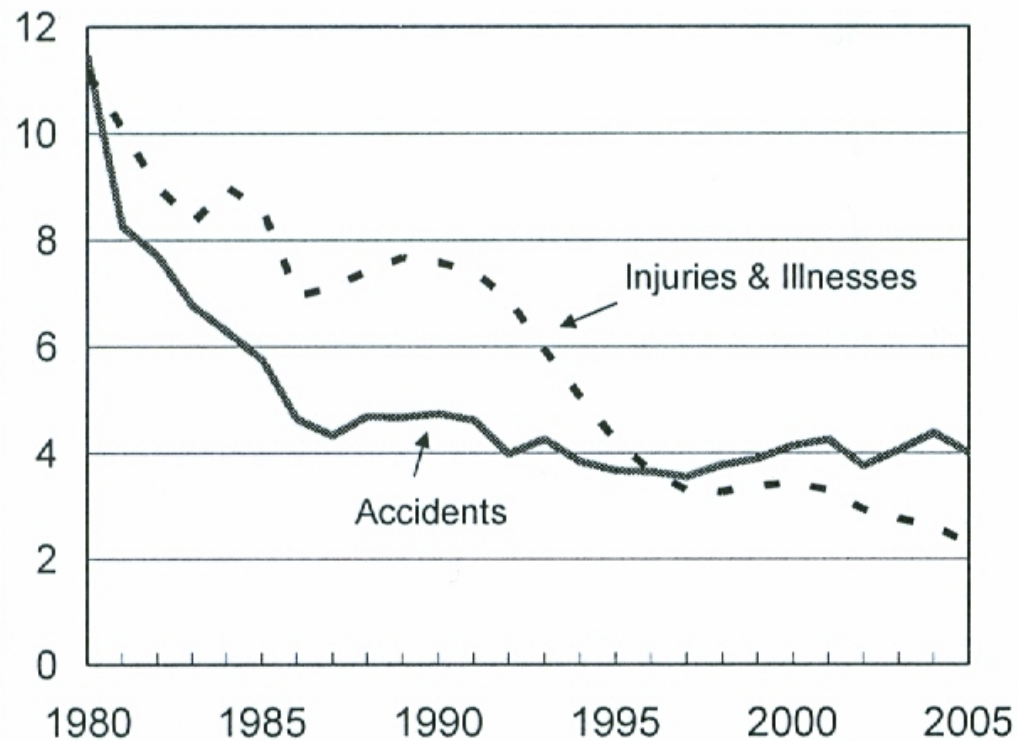
Source: AAR

Ton-Miles Per Employee: 1980-2005 (Millions)



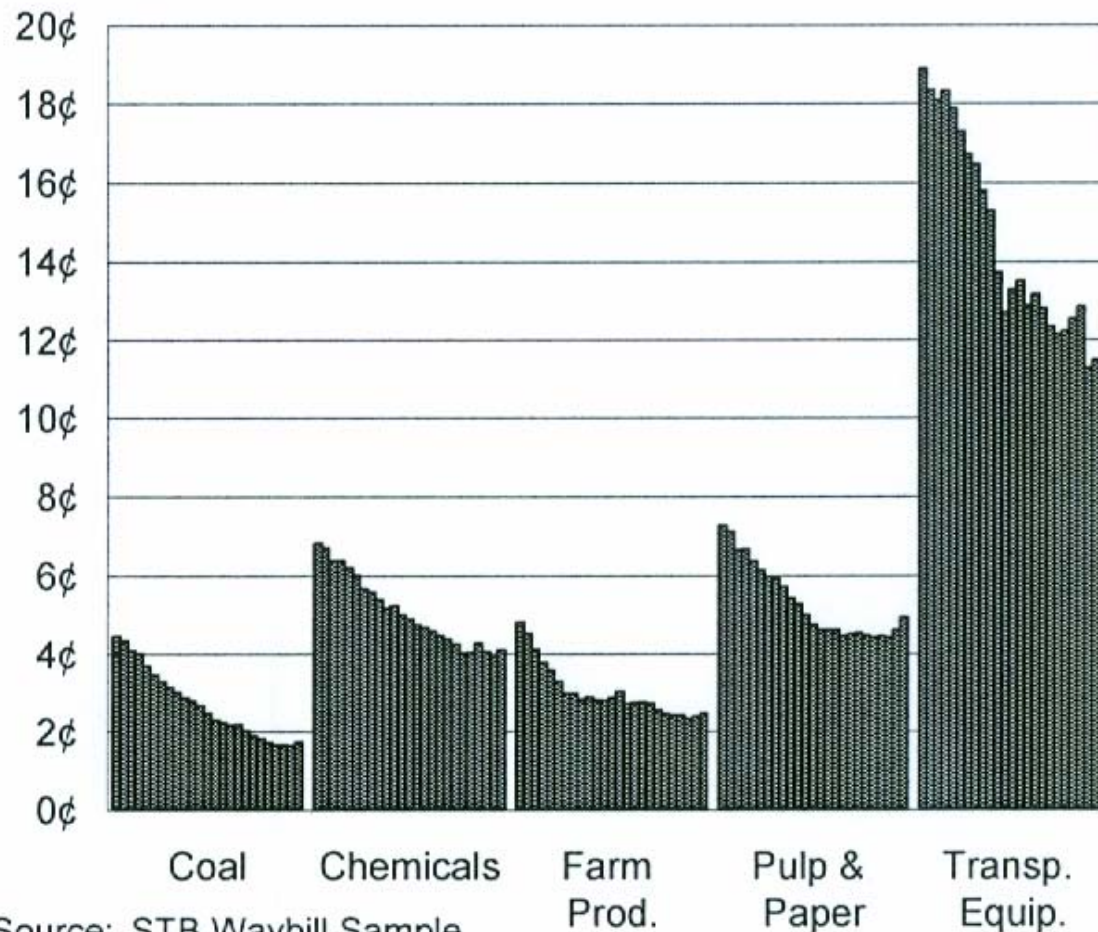
Source: AAR

Railroad Accidents & Injuries (Accidents Per Million Train-Miles Injuries & Illnesses Per 100 Employees)



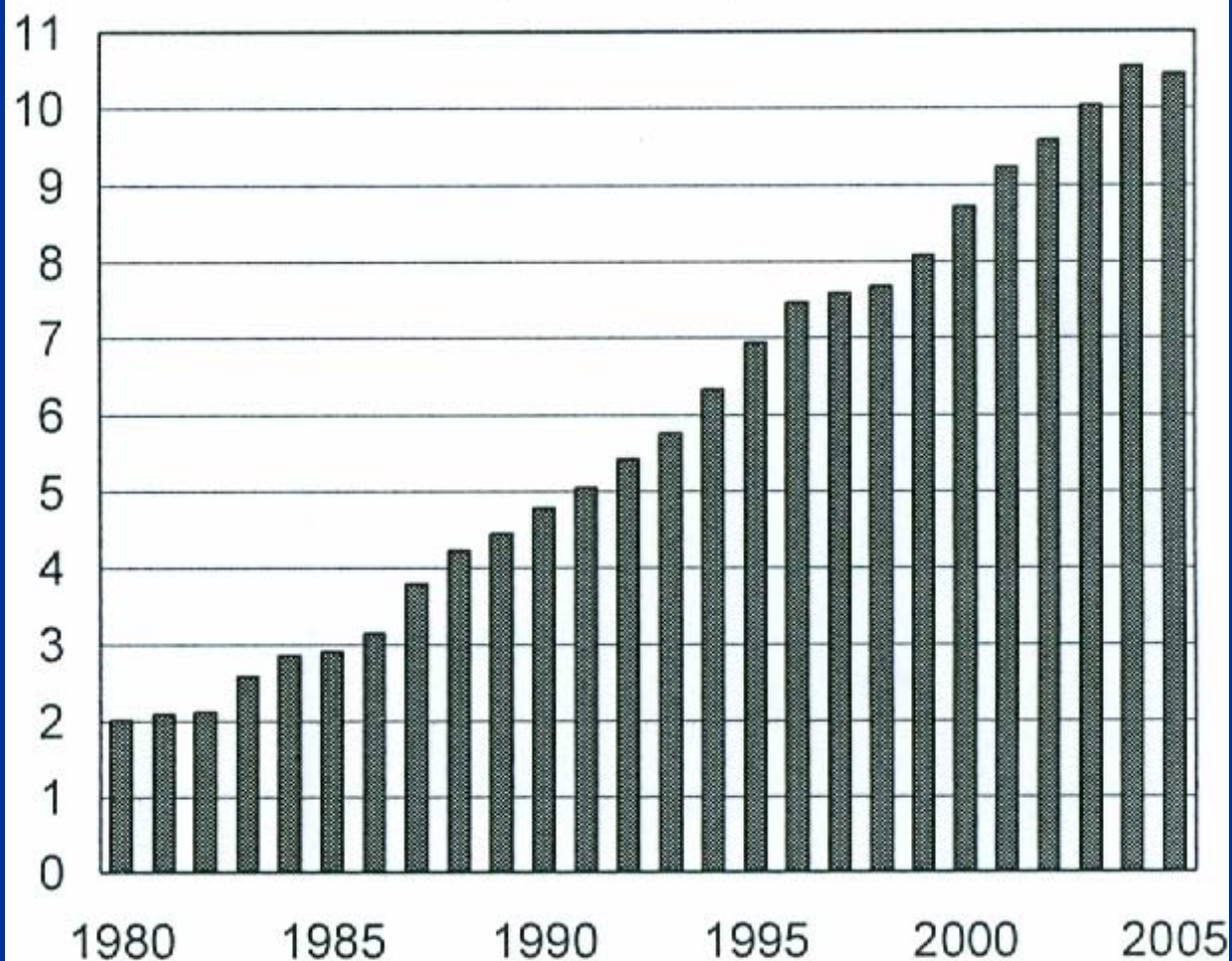
Data are for all railroads. Source: FRA

Rail Revenue Per Ton-Mile: 1981-2005 (Constant 2005 Dollars)



Source: STB Waybill Sample

Ton-Miles Per Employee: 1980-2005 (Millions)

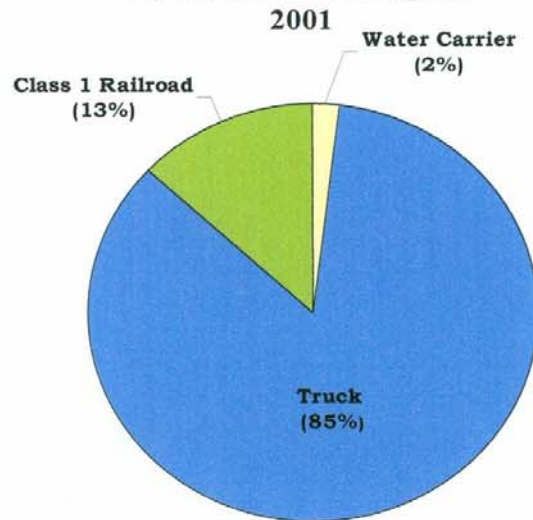


Source: AAR

Railroad Reregulation



Distribution of Freight Revenues By Mode of Transport



YR 2002

Railroads= \$320.5 billion

Trucks= \$6.2 trillion

Water Carriers= \$90.9 billion

Distribution of Intercity Freight Traffic By Mode of Transport - Measured in Ton Miles

2001

